

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION**

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June 24, 2003

FROM: RUDY LOPEZ, Director
Department of Behavioral Health (DBH)

SUBJECT: AMENDMENT TO SUBSTANCE ABUSE TREATMENT CONTRACT WITH AEGIS
MEDICAL SYSTEMS, INC.

RECOMMENDATION: Approve Amendment No. 1 to contract No. 02-625 between the County, Department of Behavioral Health (DBH) and AEGIS Medical Systems, Inc. increasing the contract amount by \$60,000 from \$846,882 to \$906,882 for the period July 1, 2002 through June 30, 2003 and adding Health Insurance Portability and Accountability Act (HIPAA) provisions to the contract.

BACKGROUND INFORMATION:

Approval of this item will allow AEGIS, Inc. to provide additional substance abuse treatment services and add HIPAA provisions to the contract. DBH is recommending an increase to the contract as the number of clients referred for treatment exceeds initial projections.

On June 25, 2002 the Board approved a contract with AEGIS to provide narcotic replacement therapy using methadone to treat opiate addicted individuals (Item #133). Included in the contract is \$78,600 to provide treatment services to clients referred to the clinic under Proposition 36. AEGIS is one of only two contractors in San Bernardino County licensed to provide methadone treatment services and was the only one willing to contract with the County to serve Proposition 36 clients.

Fiscal year 2001-02 was the first year DBH provided services for Proposition 36 clients. The cost of the services provided by AEGIS was \$61,316. AEGIS used that historical data to establish the \$78,600 funding level for the current contract. Since that time, the number of Court referrals of heroin addicts needing these services has increased. Moreover, the lengths of the treatment episodes are longer than anticipated. As a result, the current contract amount is not sufficient to pay the contractor for all of the services that will be delivered this fiscal year. Staff is recommending approval of an additional \$60,000 toward the increased cost of serving eligible clients.

REVIEW BY OTHERS: The contract amendment was approved as to form by Deputy County Counsel, Charles J. Larkin on June 6, 2003, 2003, and the item was reviewed by the County Administrative Office, Carol Hughes, Administrative Analyst, on June 11, 2003.

FINANCIAL IMPACT: This item imposes no local cost to the County. Expenditures are fully reimbursed under the County's allocation of Proposition 36 funds distributed by the State Department of Alcohol and Drug Programs.

COST REDUCTION REVIEW: The County Administrative Office has reviewed this agenda item and recommends approval as it will impose no local cost to the County.

SUPERVISORIAL DISTRICT(S): All

PRESENTER: Rudy Lopez, Director
(909) 387-7024

Record of Action of the Board of Supervisors

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